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LINCOLN PARISH SHERIFF
Baton Rouge, Louisiana

General Purpose Financial Statements
As of and for the Year Ended
June 30, 2003

With Supplemental Information Schedules

Under provisions of state law this report is a public document. Any of the report statements provided to the entity and/or its appointees as the official. The report is available for public inspection at the Baton Rouge office of the Louisiana Auditor and where appropriate at the office of the parish clerk of court.

Release Date 10/1/03

LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

LINCOLN PARISH SHERIFF
 Ruston, Louisiana

**General Purpose Financial Statements
 With Independent Auditors' Report
 As of and for the Year Ended June 30, 2003
 With Supplemental Information Schedules**

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LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

REV. TEDDY LITTLE CPA
CHARLES H. MATHENBERG, JR., CPA

Independent Auditors' Report

HONORABLE WAYNE HOUCK
LINCOLN PARISH SHERIFF
Bossier, Louisiana

We have audited the general purpose financial statements of the Lincoln Parish Sheriff, a component unit of the Lincoln Parish Police Jury, as of June 30, 2003, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Lincoln Parish Sheriff's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Parish Sheriff as of June 30, 2003, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Lincoln Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

LINCOLN PARISH SHERIFF
Baton, Louisiana
Independent Auditors' Report,
June 30, 2003

In accordance with *Government Auditing Standards*, we have also issued a report dated September 5, 2003, on the Lincoln Parish Sheriff's compliance with laws, regulations, contracts, and grants, and our consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Monroe, Louisiana
September 5, 2003

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

LYNDEN PARISH SHERIFF
Ruston, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 2003

	COMPENSATED FUND TYPE			ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL (APPROPRIATION ONLY)
	GENERAL FUND	DEED TAX FUND SPECIAL REVENUE FUND	REGULAR FUND TYPE - AGENCY FUND		
ASSETS					
Cash and cash equivalents	\$25,149	\$82,588	\$789,813		\$897,550
Investments	2,678,998				2,678,998
Receivables	79,076	3,836			82,912
Due from other funds	2,948				2,948
Due from employees	289				289
Office furnishings and equipment				\$1,184,088	1,184,088
TOTAL ASSETS	\$2,796,360	\$86,424	\$789,813	\$1,184,088	\$4,857,675
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$31,894				\$31,894
Retainage/withholdings payable	41,977				41,977
Deferred revenues	87,278				87,278
Due to other funds		\$1,744	\$154		2,948
Due to taxing bodies and others			788,899		788,899
Total Liabilities	<u>161,149</u>	<u>2,744</u>	<u>789,053</u>	<u>84,050</u>	<u>955,996</u>
Fund Equity:					
Investment in general fund assets				\$1,184,088	1,184,088
Fund balance - unreserved - undesignated	1,617,139	83,680			2,700,819
Total Fund Equity	<u>1,617,139</u>	<u>83,680</u>	<u>80,760</u>	<u>1,184,088</u>	<u>3,595,672</u>
TOTAL LIABILITIES AND FUND EQUITY	\$2,796,360	\$86,424	\$789,813	\$1,184,088	\$4,857,675

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERRIF
Baton Rouge, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND AND
DEBT/TASK FORCE/SPECIAL REVENUE FUNDS

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis and Actual)
For the Year Ended June 30, 2000

	GENERAL FUND			DEBT/TASK FORCE/ SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Taxes and salaries	\$2,137,000	\$2,251,120	\$114,120			
Intergovernmental revenue:						
Federal grants		24,339	24,339	120,000	\$48,868	\$71,132
State grants:						
State revenue sharing (cost)	154,000	154,000	0			
State supplemental pay	809,000	118,492	690,508			
HARR		30,718	30,718			
Other	90,000	91,157	1,157	50,000		(50,000)
Local grants	0,000	13,190	13,190	0,100		(0,100)
Fees, charges, and commissions for services:						
Commissions on licenses & taxes	100,000	300,384	11,384			
Civil and criminal fees	120,000	128,150	8,150			
Court attendance	4,000	4,950	950			
Transportation of prisoners	3,800	7,136	1,636			
Bond forfeitures	7,000	7,259	259			
Tax notices, etc.	40,000	32,187	7,813			
Other				90,100		(90,100)
Use of money and property	21,000	20,000	2,000	231	231	
Miscellaneous	0,000	11,373	11,373			
Total revenues	<u>2,992,800</u>	<u>3,113,147</u>	<u>120,347</u>	<u>94,331</u>	<u>130,281</u>	<u>36,950</u>
EXPENDITURES						
Public safety:						
Current:						
Personal services and related benefits	2,323,000	2,111,044	11,956	80,840	80,840	1,723
Operating services	175,700	310,130	(134,430)	7,890	1,308	6,582
Materials and supplies	150,500	180,290	9,210	30,400	37,973	(7,573)
Travel and other charges	16,000	12,440	3,560	12,390	13,240	(850)
Capital outlay	170,000	194,572	24,572	3,100	3,100	
Intergovernmental	90,000	98,146	(8,146)			
Total expenditures	<u>3,124,200</u>	<u>3,117,722</u>	<u>16,478</u>	<u>114,530</u>	<u>108,461</u>	<u>5,069</u>

(Continued)

LYNOLN PARKS SHERIFF

Reno, Nevada

GOVERNMENTAL FUND-TYPE - GENERAL FUND AND
DEBT TASK FORCE SPECIAL REVENUE FUNDCombined Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual, etc.

	GENERAL FUND			DEBT TASK FORCE SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$141,700)	\$0,422	\$142,122	(\$30,219)	\$21,798	\$42,037
OTHER FINANCING SOURCE						
Compensation for loss of assets		5,604	5,604			
Total other financing source	NONE	5,604	5,604	NONE	NONE	NONE
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(\$141,700)	11,026	252,726	(\$30,219)	21,798	42,037
FUND BALANCES AT BEGINNING OF YEAR	1,445,900	1,446,150	250	57,280	64,894	NONE
FUND BALANCES AT END OF YEAR	12,296,200	12,457,176	\$160,976	182,060	186,692	\$46,632

(Continued)

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Baton Rouge, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of all various property taxes, parish occupational licenses, state revenue sharing funds, sportsman licenses, and fines, costs, and bond forfeitures imposed by the district court.

The sheriff has the responsibility for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Lincoln Parish Police Jury is the financial reporting entity for Lincoln Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Lincoln Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or

LINCOLN PARISH SHERIFF

Baton Rouge, Louisiana

Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains the sheriff's office and provides funds for various operations of the parish jail, the sheriff was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The sheriff uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies.

LINCOLN PARISH SHERIFF

Baton Rouge, Louisiana

Notes to the Financial Statements (Continued)

through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund and is used to account for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for detention, civil and criminal fees, fees for court attendance and maintenance of prisoners, et cetera. General operating expenditures are paid from this fund.

Special Revenue Fund

The Drug Task Force Special Revenue Fund consists of federal grants from the United States Department of Justice passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and local matching grants. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, eradication, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (no net asset liability) and do not involve measurement of results of operations.

C. FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. General fixed assets provided by the parish police jury are not recorded in the

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

general fixed assets account group. Approximately 3 per cent of fixed assets are valued at estimated historical costs based on the actual costs of like items while the remaining 97 per cent are based on actual historical costs. Donated fixed assets are valued at their estimated fair market value on the date received. No depreciation has been provided on general fixed assets. Long-term obligations, such as *compensated absences payable*, expected to be financed from the General Fund are reported in the general long-term obligations account group. Expenditures for compensated absences are recognized in the General Fund when the leave is actually taken or when payment is made to the employee at termination or retirement.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental and fiduciary fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The sheriff uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. *Ad valorem* taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. *Ad valorem* taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the sheriff is entitled to the funds.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

Interest income on demand deposits is recorded when the interest has been earned and the amount is determinable.

Substantially, all other revenues are recorded when they become available to the sheriff.

Based on the above criteria, intergovernmental revenues and fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources

Compensation for loss or damage of assets is accounted for as other financing source and is recognized when the underlying event has occurred.

E. BUDGET PRACTICES

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least ten days prior to the public hearing. Public hearings are held at the Lincoln Parish Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the sheriff and amended during the year, as necessary. Budgets are established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in

LINCOLN PARISH SHERIFF

Baton, Louisiana

Notes to the Financial Statements (Continued)

Louisiana. At June 30, 2003, the sheriff has cash and cash equivalents (bank balances) totaling \$918,702 as follows:

Demand deposits	\$916,297
Petty cash	<u>2,405</u>
Total	<u>\$918,702</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2003, are secured as follows:

Bank balances	<u>\$1,183,373</u>
Federal deposit insurance	\$1,167,279
Pledged securities	<u>1,252,064</u>
Total	<u>\$3,402,716</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

G. INVESTMENTS

Under state law, the sheriff may invest funds in obligations of the United States, in federally insured investments, investment grade (A-1/P-1) commercial paper of domestic corporations or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments are grouped into three categories of credit risk:

1. Insured or registered, or for which the securities held by the sheriff or its agent in the sheriff's name.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

2. Uninsured and unregistered, with securities held by the bank's trust department or agent in the sheriff's name.
3. Uninsured and unregistered, with securities held by the bank, or by its trust department or agent but not in the sheriff's name.

At year-end, the sheriff's investment balances are in a money market account which invests only in securities of the United States Treasury (category 1). The investments have a reported value of \$2,678,936, which is also fair market value. There is no unrealized gain or loss.

B. LEVIED TAXES

As provided by Louisiana Revised Statute 33:9001, a law enforcement district has been created for the purpose of providing financing to the office of the sheriff of Lincoln Parish. Louisiana Revised Statute 33:9003 requires the district to levy a tax on the assessed valuation of all property appearing on the 1977 and subsequent tax rolls in an amount that would produce for the district in the initial year the same revenue as that estimated to be produced by the sheriff's commission on ad valorem taxes for the fiscal year 1976-77. For the 2004 tax roll, the district levied 14.03 mills.

Louisiana Revised Statute 33:9003 also provides for the district to impose an additional millage when approved by a majority of the voters in the district. On July 18, 1992, an ad valorem tax of 8.50 mills was passed by a majority of the district voters. The additional millage, which expired with the 2004 tax roll, was renewed by voters for ten years beginning with the 2005 tax roll.

L. VACATION AND SICK LEAVE

After one year of service, all employees are granted 10 days of vacation leave each year. After 10 years of cumulative full time employment, one additional day of vacation per year shall be granted until the number of vacation days reaches the maximum of 15 days. Employees will be allowed 10 days of sick leave each year. Neither vacation nor sick leave can be accumulated.

J. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to law enforcement liability; torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

employees. To handle risk of loss, the sheriff maintains commercial insurance covering: automobile liability; general liability; commercial crime; law enforcement; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

K. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. RECEIVABLES

The receivables of \$83,002 at June 30, 2003, are as follows:

Ad valorem tax	\$7,371
Intergovernmental - federal and state grants	5,827
State grants	9,338
Fees, charges & commissions	33,730
Transportation of prisoners	382
Court attendance	14,680
Other	<u>11,713</u>
Total	<u>\$83,002</u>

3. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at June 30, 2003, are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$2,948	
Agency Funds:		
Civil		\$35
Criminal		99
Drug Task Force		<u>2,794</u>
Total	<u>\$2,948</u>	<u>\$2,948</u>

LINCOLN PARISH SHERIFF

Baton, Louisiana

Notes to the Financial Statements (Continued)

4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2003, follows:

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Buildings and improvements	\$1,850			\$1,850
Communication equipment	83,342	\$31,256	(\$1,482)	113,116
Office equipment	134,873	21,574	(26,464)	129,983
Public safety equipment	116,290	18,158	(7,955)	126,493
Weapons	14,284		(156)	14,128
Vehicles	685,667			685,667
Federal assets	46,560	101,392	(35,481)	112,471
Total	<u>\$1,083,046</u>	<u>\$172,380</u>	<u>(\$21,538)</u>	<u>\$1,184,088</u>

5. PENSION PLAN

Substantially all employees of the Lincoln Parish Sheriff's Office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 3.75 per cent for each year if total service is at least 15 but less than 20 years, and 5 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the actuarial rate by 0.25 percent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions, may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, Post Office Box 3463, Monroe, Louisiana 71238, or by calling (318) 362-3190.

LINCOLN PARISH SHERIFF

Baton Rouge, Louisiana

Notes to the Financial Statements (Continued)

Plan members are required by state statute to contribute 5.8 percent of their annual covered salary and the Lincoln Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 7.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Lincoln Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:189, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Lincoln Parish Sheriff's contributions to the System for the years ended June 30, 2003, 2002, and 2001 were \$140,360, \$119,349, and \$90,242, respectively, equal to the required contributions for each year.

6. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Lincoln Parish Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the sheriff. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the sheriff. The sheriff recognizes the cost of providing these benefits (sheriff's portion of premiums) as an expenditure when paid during the year, which was \$250,248 for the year ended June 30, 2003. Of that amount, \$20,203 was for retiree benefits.

7. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others for the year ended June 30, 2003, follows:

	Tax Collector Fund	Civil Fund	Criminal Fund	Total
Balance at June 30, 2002	\$754,442	\$46,756	\$65,326	\$866,524
Additions	17,841,113	640,404	1,014,276	19,495,823
Reductions	(17,971,204)	(627,368)	(941,489)	(19,540,061)
Balance at June 30, 2003	\$603,351	\$59,792	\$138,113	\$799,856

8. LITIGATION AND CLAIMS

At June 30, 2003, the Lincoln Parish Sheriff is involved in several lawsuits which are fully covered by the sheriff's liability insurance.

LINCOLN PARISH SHERIFF

Baton, Louisiana

Notes to the Financial Statements (Continued)

9. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The Lincoln Parish Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Lincoln Parish Police Jury.

10. FUND BALANCE

Beginning fund balance in the General Fund has been restated due to a prior year receivable of \$8,767 that was not received.

11. FEDERAL FINANCIAL ASSISTANCE

FEDERAL GRANTOR/ FUND-THROUGH-GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	FAG NUMBER AND GRANTOR NUMBER	EXPENDITURES FOR THE YEAR ENDED June 30, 2000
UNITED STATES DEPARTMENT OF JUSTICE			
Direct program - Community Oriented Policing Services Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:	16.710	1998-19700001	510,414
R&D Narcotics Unit	16.579	0-99-1-026	3,885
Multi-Jurisdictional Task Force	16.579	0-01-1-015	40,868
Local Law Enforcement Block Grant	16.590	2000-LB-03-1440	0,000
Total United States Department of Justice			<u>554,167</u>
Total Federal Financial Assistance			<u>\$54,167</u>

SUPPLEMENTAL INFORMATION SCHEDULES

LINCOLN PARISH SHERIFF
Bossier, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2000

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes, occupational licenses, and fees. The Tax Collector Fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

CIVIL FUND

The Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments and payment of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

CRIMINAL FUND

The Criminal Fund accounts for bonds, fines and costs, and payment of these collections to recipients in accordance with applicable laws.

LINCOLN PARISH SHERIFF
Baton Rouge, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet, June 30, 2003

	<u>TAX COLLECTOR FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>TOTAL</u>
ASSETS				
Cash and equivalents	<u>\$603,351</u>	<u>\$28,480</u>	<u>\$136,232</u>	<u>\$768,063</u>
TOTAL ASSETS	<u>\$603,351</u>	<u>\$28,480</u>	<u>\$136,232</u>	<u>\$768,063</u>
LIABILITIES				
Unsettled deposits due to:				
General Fund		\$33	\$89	\$124
Other	<u>\$603,351</u>	<u>\$8,475</u>	<u>(36,123)</u>	<u>\$575,699</u>
TOTAL LIABILITIES	<u>\$603,351</u>	<u>\$28,480</u>	<u>\$136,232</u>	<u>\$768,063</u>

LINCOLN PARISH SHERIFF
 Ruston, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled
 Balances Due to Taxing Bodies and Others
 For the Year Ended June 30, 2002

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 2002	<u>\$724,442</u>	<u>\$46,756</u>	<u>\$65,326</u>	<u>\$836,524</u>
ADDITIONS				
Deposits:				
Sheriff's sales		\$130,819		\$130,819
Fines, bond forfeitures, and costs			\$1,061,321	1,061,321
Garagekeepers		148,424		148,424
Other deposits		121,191	2,955	124,146
Taxes, fees, etc. paid to tax collector:				
Ad valorem taxes	\$18,323,655			18,323,655
Prior year taxes	81,167			81,167
Present taxes	59,602			59,602
Fire district fees	621			621
Prior year fire district fees	660			660
State revenue sharing	838,090			838,090
Insurance licenses	53,785			53,785
Interest on:				
New account	12,764			12,764
Delinquent taxes	30,390			30,390
Fire district fees	735			735
Protested taxes held in escrow	5,236			5,236
Prior year taxes	21,747			21,747
Tax notices, etc.	104,382			104,382
Redemptions	28,682			28,682
Collection for others	79,329			79,329
Total additions	<u>17,841,112</u>	<u>640,434</u>	<u>1,014,336</u>	<u>19,495,882</u>
Total	<u>18,575,555</u>	<u>687,190</u>	<u>1,079,662</u>	<u>20,342,347</u>

(Continued)

LINCOLN PARISH SHERIFF
Baton Rouge, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS
Continuing Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others, 2003

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
REDUCTIONS				
Deposits, taxes, fees, etc. settled to:				
Louisiana Tax Commission	\$4,746			\$4,746
Louisiana Forestry Commission	17,719			17,719
Sheriff's General Fund	2,542,700	\$146,137	\$184,733	2,873,568
Other Sheriff's		1,039		1,039
Police Jury	4,202,344		280,463	4,482,807
School board	8,294,802			8,294,802
Assessor	453,246			453,246
State agencies			27,821	27,821
Municipalities			14,935	14,935
Law enforcement agencies			8,809	8,809
District Attorney			113,734	113,734
Clerk of Court	1,416	34,626	32,446	60,488
Indigent defender board			111,534	111,534
City of Baton Rouge	958,606			958,606
Coroner			1,391	1,391
Litigants		401,298		401,298
Attorneys, appraisers, etc.		22,999		22,999
Pension funds	442,687			442,687
Northwest Crime Lab			31,634	31,634
Judicial clerk			96,211	96,211
Fire Protection Service				
District No. 1	896,578			896,578
Victim's restitution			20,132	20,132
Other settlements	14,530	31,654	17,412	63,596
Reductions	29,420			29,420
Refunds	108,410			108,410
Total reductions	<u>17,872,324</u>	<u>627,365</u>	<u>643,476</u>	<u>19,543,165</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, June 30, 2003	<u>3603,351</u>	<u>139,425</u>	<u>5136,123</u>	<u>\$7938,899</u>

(Continued)

**Independent Auditors' Report Required
by Government Auditing Standards**

The following Independent Auditors' Report on compliance with laws, regulations and contracts, and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report on Compliance and
Internal Control Over Financial Reporting**

2001 THIRD FLOOR, CPA
CHARLES R. BRADSHAW, JR., CPA

LINCOLN PARISH SHERIFF
Ruston, Louisiana

We have audited the general purpose financial statements of the Lincoln Parish Sheriff as of and for the year ended June 30, 2003 and have issued our report thereon dated September 5, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lincoln Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lincoln Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

LINCOLN PARISH SHERIFF

Baton Rouge, Louisiana

Independent Auditors' Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2003

This report is intended solely for the information and use of the Lincoln Parish Sheriff, management of the sheriff's office, interested state agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.



Monroe, Louisiana

September 3, 2003

LINCOLN PARISH SHERIFF
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of the Lincoln Parish Sheriff.
2. No instances of noncompliance material to the financial statements of the Lincoln Parish Sheriff were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Name:

LINCOLN PARISH SHERIFF
Baton, Louisiana

*Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2002*

There were no audit findings reported in the audit for the year ended June 30, 2002.